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TAGS: [PGOV](#) [IR](#) [IZ](#)
SUBJECT: ABDULMAHDI DISCUSSES POLITICAL AND ECONOMIC
SITUATION WITH DEPUTY SECRETARY

Classified By: Charge d'Affaires Patricia A. Butenis for reasons 1.4 (b) and (d).

[11.](#) (C) Summary: On December 1 Deputy Secretary of State John Negroponte, Coordinator for Iraq David Satterfield, and Charge d'Affaires Patricia Butenis met with Iraqi Deputy President Adil Abdulmahdi, CoR Shi'a independent Qassam Daoud, and former oil minister Thamir Ghadban. Abdulmahdi emphasized political progress but acknowledged the disparity between local and national reconciliation efforts. He said de-Ba'ath would "maybe" be passed before the end of the year, and all Iraqis agreed on the need for continued American engagement to ensure the passage of key legislation. End Summary.

[12.](#) (C) Abdulmahdi said political progress should not be measured only by benchmarks, pointing to the willingness of groups to enter the political process, the continuing JAM cease-fire, and the change in political behavior of Sadrists as examples of political gains. Daoud struck a more cautious note, acknowledging the success of tribal engagement but warning that Iraqi government institutions need to be involved in the long-term. He said that after the withdrawal of Iraqiyya and Tawafuq there was no longer any national unity government and warned that JAM was unpredictable. Abdulmahdi conceded political gains were fragile but insisted that JAM's complicity in the Shabiniyah violence drove a wedge between JAM and the Iraqi people.

[13.](#) (C) The Deputy remarked that during his visit he noticed that people and communities appeared to be getting along better than their respective national leaders and that reconciliation was occurring on local levels. Abdulmahdi said the Deputy was "absolutely right," adding that either politicians need to change or people needed to change their politicians. Ghadban added that in the Baghdad neighborhood of Ghazaliya Sunnis and Shi'a were talking to each other and exchanging items from their food baskets. Abdulmahdi concluded that "the political is not reflecting the social reality."

[14.](#) (C) On legislation, Abdulmahdi said that the draft Justice and Accountability would "maybe" be passed before the end of the year. Daoud clarified that the slow pace of legislative progress was "the nature of our clock," explaining that 80 to 90 MPs would soon leave for haj and not return until the last week of December or first week of January. Given that most of these MPs normally attend sessions, Daoud predicted that achieving quorum during this time would be impossible. He added that parliament would extend the legislative term through January to ensure it passes the 2008 budget and de-Ba'ath law.

[15.](#) (C) Turning to the provincial powers law, Abdulmahdi said it would be passed "later" and that due to Da'wa opposition it had not yet reached parliament. Ghadban corrected him, noting that a draft currently in the CoR received two

readings but there was uncertainty over whether a new draft would need to begin the process again. Abdulmahdi could not confirm that President Hashimi approved a revised Pension Law but worried about the financial impact of paying 200,000 government pensions. Abdelmahdi expressed surprise that according to the Investment Law the approval of the PM is necessary for provincial projects exceeding 250 million USD. The participants agreed on the need to reform government food basket programs to stimulate agricultural production. Ghadban added that there were ongoing discussions on removing some items, including detergent, from the basket all together.

¶6. (C) Daoud cited decreasing U.S. engagement on the oil law as a reason for the law's delay in the CoR. He said American pressure was needed to moderate the factions and increase Kurdish support for the draft. Ghadban added that those that supported the oil law now oppose it and that the climate "was not good" for passage of the law. Satterfield emphasized the importance of the legislation and explained that U/S Reuben Jeffrey was coming to Iraq with respect to forming a technical review committee with a mission to reconcile the February and July drafts.

¶7. (C) Comment: Abdulmahdi's confusion over the status of Provincial Powers and the text of the Investment Law illustrates the degree to which even Iraq's national leaders are confused about the legislative process. End Comment.

¶8. (U) The Deputy Secretary's party has cleared this cable.
BUTENIS